

Mains							
Invested \$	Accum. Invested \$	1.89% QIPS Depr.	Accum. QIPS Depr.	Retirement	1.89% Retire Depr.	Act Net Depr.	
Jan-02	5,389.82	5,389.82	102.00	102.00	(216.26)	(4.00)	98.00
Feb-02	-	5,389.82	-	102.00	-	-	-
Mar-02	52,763.53	58,153.35	831.00	933.00	-	-	831.00
Apr-02	-	58,153.35	-	933.00	-	-	-
May-02	55,342.60	113,495.95	697.00	1,630.00	(2,745.59)	(35.00)	662.00
Jun-02	10,518.33	124,014.28	116.00	1,746.00	(75.25)	(1.00)	115.00
Jul-02	-	124,014.28	-	1,746.00	-	-	-
Aug-02	114,437.80	238,452.08	901.00	2,647.00	(9,550.00)	(75.00)	826.00
Sep-02	175,719.16	414,171.24	1,107.00	3,754.00	(6,254.73)	(39.00)	1,068.00
Oct-02	166,034.67	580,205.91	785.00	4,539.00	(5,977.05)	(28.00)	757.00
Nov-02	42,793.66	622,999.57	135.00	4,674.00	(703.17)	(2.00)	133.00
Dec-02	89,831.04	712,831.51	141.00	4,815.00	(1,376.84)	(2.00)	139.00
<b>Total</b>	<b>712,831.51</b>	<b>3,057,271.16</b>	<b>4,815.00</b>	<b>27,621.00</b>	<b>(26,898.89)</b>	<b>(186.00)</b>	<b>4,629.00</b>

Services							
Invested \$	Accum. Invested \$	3.33% QIPS Depr.	Accum. QIPS Depr.	Retirement	3.33% Retire Depr.	Act Net Depr.	
Jan-02	9,285.31	9,285.31	309.00	309.00	(704.55)	(23.00)	286.00
Feb-02	5,817.49	15,082.80	178.00	487.00	(448.35)	(14.00)	164.00
Mar-02	9,179.40	24,262.20	255.00	742.00	(704.55)	(20.00)	235.00
Apr-02	11,202.45	35,464.65	280.00	1,022.00	(832.65)	(21.00)	259.00
May-02	8,506.67	43,971.32	189.00	1,211.00	(640.50)	(14.00)	175.00
Jun-02	7,113.89	51,085.21	138.00	1,349.00	(512.40)	(10.00)	128.00
Jul-02	5,624.08	56,709.29	94.00	1,443.00	(384.30)	(6.00)	88.00
Aug-02	5,802.28	62,511.57	81.00	1,524.00	(448.35)	(6.00)	75.00
Sep-02	13,466.87	75,978.44	149.00	1,673.00	(1,024.80)	(11.00)	138.00
Oct-02	34,692.71	110,671.15	289.00	1,962.00	(2,626.05)	(22.00)	267.00
Nov-02	21,859.38	132,530.53	121.00	2,083.00	(1,601.25)	(9.00)	112.00
Dec-02	40,651.40	173,181.93	113.00	2,196.00	(3,074.40)	(9.00)	104.00
<b>Total</b>	<b>173,181.93</b>	<b>790,714.40</b>	<b>2,196.00</b>	<b>16,001.00</b>	<b>(13,002.15)</b>	<b>(165.00)</b>	<b>2,031.00</b>

Meters							
Invested \$	Accum. Invested \$	6.21% QIPS Depr.	Accum. QIPS Depr.	Retirement	6.21% Retire Depr.	Act Net Depr.	
Jan-02	3,952.45	3,952.45	245.00	245.00	(2,504.00)	(155.00)	90.00
Feb-02	4,903.70	8,856.15	279.00	524.00	(3,104.00)	(177.00)	102.00
Mar-02	2,902.61	11,758.76	150.00	674.00	(1,803.00)	(93.00)	57.00
Apr-02	38,991.57	50,750.33	1,816.00	2,490.00	(24,484.00)	(1,140.00)	676.00
May-02	158,656.65	209,406.98	6,569.00	9,059.00	(99,689.00)	(4,127.00)	2,442.00
Jun-02	14,435.75	223,842.73	523.00	9,582.00	(9,063.00)	(328.00)	195.00
Jul-02	10,597.21	234,439.94	329.00	9,911.00	(6,659.00)	(207.00)	122.00
Aug-02	70,220.24	304,660.18	1,817.00	11,728.00	(44,112.00)	(1,141.00)	676.00
Sep-02	68,209.64	372,869.82	1,412.00	13,140.00	(42,860.00)	(887.00)	525.00
Oct-02	69,263.04	442,132.86	1,075.00	14,215.00	(43,511.00)	(676.00)	399.00
Nov-02	43,344.44	485,477.30	449.00	14,664.00	(27,238.00)	(282.00)	167.00
Dec-02	7,522.30	492,999.60	39.00	14,703.00	(4,707.00)	(24.00)	15.00
<b>Total</b>	<b>492,999.60</b>	<b>2,841,147.10</b>	<b>14,703.00</b>	<b>100,935.00</b>	<b>(309,734.00)</b>	<b>(9,237.00)</b>	<b>5,466.00</b>

Hvdrants							
Invested \$	Accum. Invested \$	3.95% QIPS Depr.	Accum. QIPS Depr.	Retirement	3.95% Retire Depr.	Act Net Depr.	
Jan-02	7,789.88	7,789.88	308.00	308.00	-	-	308.00
Feb-02	-	7,789.88	-	308.00	-	-	-
Mar-02	3,979.67	11,769.55	131.00	439.00	(4,252.49)	(140.00)	(9.00)
Apr-02	-	11,769.55	-	439.00	-	-	-
May-02	3,158.57	14,928.12	83.00	522.00	(5,963.75)	(157.00)	(74.00)
Jun-02	1,571.31	16,499.43	36.00	558.00	(251.41)	(6.00)	30.00
Jul-02	-	16,499.43	-	558.00	-	-	-
Aug-02	12,803.13	29,302.56	211.00	769.00	(3,773.88)	(62.00)	149.00
Sep-02	33,026.78	62,329.32	435.00	1,204.00	(43.35)	(1.00)	434.00
Oct-02	23,129.75	85,459.07	228.00	1,432.00	(878.05)	(9.00)	219.00
Nov-02	861.91	86,320.98	6.00	1,438.00	(1,035.10)	(7.00)	(1.00)
Dec-02	13,646.62	99,967.60	45.00	1,483.00	-	-	45.00
<b>Total</b>	<b>99,967.60</b>	<b>450,425.37</b>	<b>1,483.00</b>	<b>9,458.00</b>	<b>(16,198.03)</b>	<b>(382.00)</b>	<b>1,101.00</b>

Total							
Invested \$	Accum. Invested \$	QIPS Depr.	Accum. QIPS Depr.	Retirement	Retire Depr.	Act Net Depr.	
Jan-02	26,397.46	26,397.46	964.00	964.00	(3,424.81)	(182.00)	782.00
Feb-02	10,721.19	37,118.65	457.00	1,421.00	(3,552.35)	(191.00)	266.00
Mar-02	68,825.21	105,943.86	1,367.00	2,788.00	(6,760.04)	(253.00)	1,114.00
Apr-02	50,194.02	156,137.88	2,096.00	4,884.00	(25,316.65)	(1,161.00)	935.00
May-02	225,664.49	381,802.37	7,538.00	12,422.00	(109,038.84)	(4,333.00)	3,205.00
Jun-02	33,639.28	415,441.65	813.00	13,235.00	(9,902.06)	(345.00)	468.00
Jul-02	16,221.29	431,662.94	423.00	13,658.00	(7,043.30)	(213.00)	210.00
Aug-02	203,263.45	634,926.39	3,010.00	16,668.00	(57,884.23)	(1,284.00)	1,726.00
Sep-02	290,422.43	925,348.82	3,103.00	19,771.00	(50,182.88)	(938.00)	2,165.00
Oct-02	293,120.17	1,218,468.99	2,377.00	22,148.00	(52,992.15)	(735.00)	1,642.00
Nov-02	108,859.39	1,327,328.38	711.00	22,859.00	(30,577.52)	(300.00)	411.00
Dec-02	151,652.26	1,478,980.64	338.00	23,197.00	(9,158.24)	(35.00)	303.00
<b>Total</b>	<b>1,478,980.64</b>	<b>7,139,558.03</b>	<b>23,197.00</b>	<b>154,015.00</b>	<b>(365,833.07)</b>	<b>(9,970.00)</b>	<b>13,227.00</b>

12 Mo. Average      594,983.17      ←      12,834.58

ActNetQIP = \$ 582,128.59  
 ActNetDep = \$ 13,227.00  
 PTR = 12.76% from Sched. QIPS  
 QIP Cost = (ActNetQIP x PTR) + ActNetDep  
 QIP Cost = (\$582,128.59 x 12.76%) + \$13,227.00  
 QIP Cost = \$ 87,506.61

	<b>QIPS Revenue</b>
<b>Jan-02</b>	5,880.23
<b>Feb-02</b>	9,444.15
<b>Mar-02</b>	9,223.67
<b>Apr-02</b>	9,708.48
<b>May-02</b>	9,722.11
<b>Jun-02</b>	9,973.19
<b>Jul-02</b>	11,611.12
<b>Aug-02</b>	10,540.74
<b>Sep-02</b>	10,578.22
<b>Oct-02</b>	10,134.80
<b>Nov-02</b>	9,687.90
<b>Dec-02</b>	9,914.19
<b>Total</b>	<u>116,418.80</u>

ActNetQIP = \$582,128.59  
PTR : 12.76%  
ActNetDep \$ 13,227.00  
QIP Rev = 116,418.80  
Rpy = \$0.00  
Opy = \$0.00  
EEA = \$0.00

$$R = (\text{ActNetQIP} \times \text{PTR}) + \text{ActNetDep} - \text{QIPRev} + \text{Rpy} + \text{Opy} - \text{EEA}$$
$$R = (\$582,128.59 \times 12.76\%) + \$13,227.00 - \$116,418.80 + 0 + 0 - 0$$

$$R = \$ (28,912.19)$$

The "R" Factor will be reflected in an Information Sheet filed on or before March 26, 2003, showing a revised QIPS Surcharge percentage to become effective under the QIPS Rider on April 1, 2003.

	12/31/02	11/30/02	10/31/02	9/30/02	8/31/02	7/31/02	6/30/02	5/31/02	4/30/02	3/31/02	2/28/02	1/31/02
Gross Utility Plant In Service	57,083,137	55,919,734	55,978,377	55,986,621	55,363,434	55,648,970	55,652,344	55,409,324	55,210,673	55,216,425	55,261,319	55,260,306
Accumulated Depreciation	(15,351,698)	(15,113,191)	(15,019,290)	(14,874,989)	(14,724,354)	(14,857,507)	(14,709,918)	(14,495,798)	(14,684,698)	(14,533,803)	(14,429,232)	(14,275,409)
Non AFUDC CWIP	491,508	1,112,373	992,537	412,499	793,914	635,792	491,950	520,432	481,891	481,891	349,922	299,462
Net Plant	42,222,947	41,918,916	41,951,625	41,524,131	41,432,994	41,427,256	41,434,376	41,433,959	41,303,852	41,164,513	41,182,009	41,284,358
<b>Additions:</b>												
Property Held for Future Use	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tank Painting	505,110	510,723	516,336	521,949	527,563	533,176	538,789	544,402	550,870	557,339	563,808	570,276
Deferred Intake Cleaning	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Supplies	355,875	375,225	336,850	388,195	420,181	412,469	321,650	327,264	289,937	177,478	191,270	197,030
Cash Working Capital	483,796	476,309	478,752	474,421	466,634	467,600	483,425	478,105	486,029	476,193	494,090	488,438
Accum. Amort. Of CIAC	1,170,998	1,097,902	1,097,902	1,097,902	1,097,902	1,097,902	1,097,902	1,097,902	1,097,902	1,097,902	1,097,902	1,097,902
Corporate Allocation	(91,281)	457,217	456,147	458,285	448,535	446,586	431,708	428,587	427,163	422,927	405,602	407,500
<b>Deductions:</b>												
FAS #7 Pension Reserve	27,900	29,511	31,121	32,732	34,169	35,782	37,392	39,174	40,784	-	-	-
Customer Advances	(1,019,654)	(1,019,654)	(1,019,654)	(1,019,006)	(962,818)	(962,818)	(962,818)	(962,818)	(962,818)	(933,119)	(933,119)	(991,760)
CIAC	(3,321,033)	(3,258,246)	(3,258,246)	(3,258,246)	(3,258,246)	(3,258,246)	(3,258,246)	(3,258,246)	(3,258,246)	(3,258,246)	(3,237,256)	(3,231,856)
Deferred Federal Taxes	(2,593,385)	(2,581,331)	(2,581,331)	(2,581,331)	(2,581,331)	(2,581,331)	(2,581,331)	(2,581,331)	(2,581,331)	(2,581,331)	(2,581,331)	(2,581,331)
Deferred State Taxes	(428,691)	(425,830)	(425,830)	(425,830)	(425,830)	(425,830)	(425,830)	(425,830)	(425,830)	(425,830)	(425,830)	(425,830)
Total Adds & Deducts	(4,910,365)	(4,338,173)	(4,367,952)	(4,310,928)	(4,233,242)	(4,234,709)	(4,317,358)	(4,312,792)	(4,335,539)	(4,466,687)	(4,424,864)	(4,469,629)
Original Cost Rate Base	37,312,582	37,580,743	37,583,673	37,213,203	37,199,752	37,192,547	37,117,018	37,121,167	36,968,313	36,697,826	36,757,145	36,814,729
Net Operating Income Running 12 m	3,172,867	3,161,922	3,094,319	3,101,521	3,034,863	3,034,008	2,862,145	3,019,291	2,941,740	3,052,007	2,917,889	2,961,052
Return on Rate Base	8.50%	8.41%	8.23%	8.33%	8.16%	8.16%	7.71%	8.13%	7.96%	8.32%	7.94%	8.04%
Allowed Return on Rate Base	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
(Docket 00-0337,00-0338,00-0339 (Consol.))												
<b>Cash Working Capital Computation</b>	<b>Amount</b>											
O & M YTD	3,685,173	3,273,067	3,044,610	2,739,082	2,457,530	2,154,331	1,846,530	1,495,046	1,219,839	891,032	587,764	308,398
O & M 12Mos Prior Year	3,826,883	3,826,883	3,826,883	3,826,883	3,826,883	3,826,883	3,826,883	3,826,883	3,826,883	3,826,883	3,826,883	3,826,883
O & M to date last year	3,826,883	3,453,814	3,192,105	2,905,405	2,670,000	2,342,125	1,895,130	1,573,154	1,217,336	949,552	488,467	229,851
O & M Running 12 mos	3,685,173	3,646,136	3,679,388	3,660,560	3,614,413	3,639,089	3,778,283	3,748,775	3,829,386	3,768,363	3,926,180	3,905,430
Taxes Other Than Income	576,279	523,488	476,279	428,188	380,754	330,513	283,685	237,303	191,390	144,921	98,908	48,211
-Bad Debt Expense	92,468	85,424	76,808	69,419	63,018	54,610	45,257	36,817	33,006	29,087	22,597	21,254
-Property Tax Expense	269,844	247,357	224,870	202,383	179,896	157,409	134,922	112,435	89,948	67,461	44,974	22,487
-Amortization-Rate Case Expense	28,770	26,372	23,975	21,577	19,180	16,782	14,385	11,987	9,590	7,192	4,795	2,397
Op Expense Requiring Work Cap	3,870,371	3,810,471	3,830,014	3,795,369	3,733,073	3,740,800	3,867,404	3,824,839	3,888,232	3,809,544	3,952,722	3,907,502
Cash Working Cap	483,796	476,309	478,752	474,421	466,634	467,600	483,425	478,105	486,029	476,193	494,090	488,438
<b>Pension Reserve Computation</b>	<b>Amount</b>											
Total Pension Reserve (DB+ CR-)	91,148	96,409	101,671	106,932	111,628	116,896	122,157	127,977	133,238	154,283	154,283	154,237
Division Pension Expense	19,327	17,716	16,106	14,495	12,885	11,274	9,664	8,053	6,442	-	-	-
Total Pension Expense	63,135	57,874	52,613	47,351	42,090	36,829	31,568	26,306	21,045	-	-	-
Div. Pension %	30.61%	30.61%	30.61%	30.61%	30.61%	30.61%	30.61%	30.61%	30.61%	0.00%	0.00%	0.00%
Division Pension Reserve Allocation	27,900	29,511	31,121	32,732	34,169	35,782	37,392	39,174	40,784	-	-	-

**There are no workpapers other than the Schedules submitted with this Exhibit.**

Detailed Summary of Invoices Supporting Costs  
for Eligible QIPS Projects  
(Section 656.80 (h)(2))

As of 12/31/02

WMR- Shadowlawn		400401070002001	
CIWC Labor	1051	\$	10,945.96
Contractor	1052	\$	102,431.52
CIWC Material	1053	\$	37,147.88
Overhead	1056	\$	10,945.96
Misc Other	1057	\$	400.00
<b>Project Total:</b>		<b>\$</b>	<b>161,871.32</b>

Main Ext-Walnut Hill		400401100001010	
CIWC Labor	1051	\$	1,720.26
Contractor	1052	\$	39,103.08
CIWC Material	1053	\$	9,653.93
Overhead	1056	\$	1,720.26
Misc Other	1057	\$	566.00
<b>Project Total:</b>		<b>\$</b>	<b>52,763.53</b>

WMR-Elm Street		400401090002001	
CIWC Labor	1051	\$	9,950.50
Contractor	1052	\$	4,664.17
CIWC Material	1053	\$	102,775.63
Overhead	1056	\$	9,950.50
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>127,340.80</b>

Loop mains-Russell St		400401160002001	
CIWC Labor	1051	\$	659.12
Contractor	1052	\$	12,616.50
CIWC Material	1053	\$	3,363.03
Overhead	1056	\$	659.12
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>17,297.77</b>

WMR-Polk St		400401090002002	
CIWC Labor	1051	\$	2,059.33
Contractor	1052	\$	2,646.90
CIWC Material	1053	\$	41,612.80
Overhead	1056	\$	2,059.33
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>48,378.36</b>

Loop mains-Harvey St		WMR-C 400401160002002	
CIWC Labor	1051	\$	2,647.88
Contractor	1052	\$	12,616.50
CIWC Material	1053	\$	4,468.26
Overhead	1056	\$	2,647.88
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>22,380.52</b>

WMR-Western Ave		400401090002003	
CIWC Labor	1051	\$	9,022.57
Contractor	1052	\$	9,003.24
CIWC Material	1053	\$	87,389.42
Overhead	1056	\$	9,022.57
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>114,437.80</b>

Maon Rel-Thornhill Dr		400401300001003	
CIWC Labor	1051	\$	5,497.11
Contractor	1052	\$	18,909.43
CIWC Material	1053	\$	667.16
Overhead	1056	\$	5,497.11
Misc Other	1057	\$	69.00
<b>Project Total:</b>		<b>\$</b>	<b>30,639.81</b>

WMR-Davis St		400401090002004	
CIWC Labor	1051	\$	6,963.63
Contractor	1052	\$	26,958.10
CIWC Material	1053	\$	1,908.30
Overhead	1056	\$	6,963.63
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>42,793.66</b>

WMR-Fairfield St		400401090002006	
CIWC Labor	1051	\$	6,562.94
Contractor	1052	\$	2,137.06
CIWC Material	1053	\$	8,230.98
Overhead	1056	\$	6,562.94
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>23,493.92</b>

WMR-Kansas St		400401090002005	
CIWC Labor	1051	\$	2,684.59
Contractor	1052	\$	37,052.24
CIWC Material	1053	\$	7,732.23
Overhead	1056	\$	2,684.59
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>50,153.65</b>

WMR-Nebraska St.		400401300002003	
CIWC Labor	1051	\$	2,712.48
Contractor	1052	\$	506.32
CIWC Material	1053	\$	2,238.63
Overhead	1056	\$	2,712.48
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>8,169.91</b>

Valve Replacements			
CIWC Labor	1051	\$	2,148.46
Contractor	1052	\$	6,584.50
CIWC Material	1053	\$	2,229.09
Overhead	1056	\$	2,148.46
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>13,110.51</b>

Meters			
CIWC Labor	1051	\$	32,600.78
Contractor	1052	\$	419,681.42
CIWC Material	1053	\$	8,116.62
Overhead	1056	\$	32,600.78
Misc Other			
<b>Project Total:</b>		<b>\$</b>	<b>492,999.60</b>

Services			
CIWC Labor	1051		
Contractor	1052		
CIWC Material	1053		
Overhead	1056		
Misc Other		\$	173,181.93
<b>Project Total:</b>		<b>\$</b>	<b>173,181.93</b>

Hydrants			
CIWC Labor	1051		
Contractor	1052		
CIWC Material	1053		
Overhead	1056		
Misc Other		\$	99,967.55
<b>Project Total:</b>		<b>\$</b>	<b>99,967.55</b>

Total 2002 QIP Eligible Costs \$ 1,478,980.64

Note: Actual invoices available for inspection upon request.

**2002 QIPS PROJECT**  
**PRUDENCE OF QIPS INVESTMENT**

**SECTION I - OVERVIEW**

The 2002 Qualifying Infrastructure Plant Surcharge (QIPS) projects for the Vermilion County Division of Consumers Illinois Water Company were started after January 1, 2002 and were placed in service before December 31, 2002. These projects all met the following criteria:

1. The plant additions were replacements of existing plant items from the accounts listed below.
2. The replacements are non-revenue producing.
3. The replacements were installed to replace facilities that were worn out or in deteriorated condition.
4. The replacements were installed after the conclusion of the test year in the utility's last rate case, which in the instance of the Vermilion County Division was Docket 00-0339 which had a test year of 2001 (future test year).
5. The replacements were not included in the calculation of the rate base in the Vermilion County Division's last rate case, 00-0339.

The plant additions only included items from the following accounts pursuant to 83 Ill. Admin. Code 605:

1. Account 331, Transmission and Distribution Mains
2. Account 333, Services
3. Account 334, Meters and Meter Installations
4. Account 335, Hydrants

In addition to replacements, mains (Account 331) installed to eliminate dead ends were included in account 331. Additionally, the unreimbursed costs associated with the relocation of mains, services, hydrants and sewers occasioned by street or highway construction were included in the appropriate accounts.

As indicated above, the 2002 Qualifying Infrastructure Plant projects only included plant additions installed on or after January 1 of the year in which the Company filed its initial QIPS rider.

## **SECTION II – DESCRIPTION OF PROJECTS**

### **ACCOUNT 331 TRANSMISSION AND DISTRIBUTION MAINS**

#### **ELM STREET, KIST AVENUE, SHANK DRIVE AND LEE STREET**

This project involved the replacement of water mains contained in property Account 331, Transmission and Distribution Mains. This project replaced 2,709 feet of deteriorated, worn-out and undersized 4-inch cast iron pipe water main on Elm Street from Vance Lane to Kist Avenue and on Kist Avenue from Elm Street to the end. Also, a 500 foot project on Shank Drive and a 500 foot project on Lee Street replaced several service lines that were contained in Property Account 333, Services that had been serving customers on those streets. The water main that was replaced was unlined cast iron water main that was over 50 years old, was extremely encrusted on its interior and was incapable of providing minimal fire flows for residential areas. The service lines that were replaced were over 50 years old, were extremely encrusted on their interior and were incapable of providing minimal fire flows for residential areas. Some of the services were thought to be at least partially constructed of lead.

#### **POLK STREET**

This project involved the replacement of water mains contained in property Account 331, Transmission and Distribution Mains. This project replaced 900 feet of deteriorated, worn-out and undersized 1 and 2-inch cast iron pipe water main on Polk Street from Vance Lane the end. The water main that was replaced was unlined galvanized iron pipe and cast iron water main that was over 50 years old, was extremely encrusted on its interior and was incapable of providing minimal fire flows for residential areas.

#### **WESTERN AVENUE**

This project involved the replacement of water mains contained in property Account 331, Transmission and Distribution Mains. This project replaced 2,232 feet of deteriorated, worn-out and undersized 2 and 3-inch cast iron pipe water main on Western Avenue from Oakwood Avenue to the box culvert. The water main that was replaced was unlined cast iron water main that was over 50 years old, was extremely encrusted on its interior and was incapable of providing minimal fire flows for residential areas.

#### **RUSSELL STREET**

This project involved the installation of water mains to be added to property Account 331, Transmission and Distribution Mains. This project installed 324 feet of 8” ductile iron pipe from Griffin Street to Victory Street to eliminate the dead-end water main on Victory Street.

## DAVIS STREET

This project involved the installation of water mains to eliminate 200 feet of deteriorated, worn-out and undersized 2-inch cast iron pipe water main and will add 640 feet of 8-inch ductile iron pipe on Davis Street from Walnut Street to the alley east of Vermilion Street. This water main is contained in or will be added to property Account 331, Transmission and Distribution Mains. Since the 2-inch water mains terminated at both ends, the project also eliminated dead-ends at both ends.

## HARVEY STREET

This project involved the replacement of service lines contained in property Account 333, Services. This project replaces several deteriorated, worn-out and undersized  $\frac{3}{4}$  and 1-inch galvanized iron pipe service lines on Harvey Street. The service lines that were replaced were unlined galvanized service lines that were over 50 years old, were extremely encrusted on their interior and were incapable of providing minimal fire flows for residential areas. The project installed 486 feet of 8-inch ductile iron pipe on Harvey Street to eliminate the service lines and to loop the dead end main on Harvey Street to which the service lines were attached, into an existing 12-inch cast iron pipe water main on Seminary Street.

## NORTH KANSAS AVENUE

This project involved the replacement of water mains contained in property Account 331, Transmission and Distribution Mains. This project replaced 200 feet of deteriorated, worn-out and undersized 2-inch cast iron pipe water main on Daniel Street from California Street to the alley near Kansas Street. Additionally, the project installed another 790 feet of 8-inch ductile iron pipe further east on Daniel Street to Kansas Avenue, then south on Kansas Avenue to Cannon Street where it connected to the existing dead-end water main on Kansas Street.

## SHADOWLAWN/CHANDLER/HARMON/GRANT

This project involved the replacement of water mains contained in property Account 331, Transmission and Distribution Mains. This project replaced 684 feet of deteriorated, worn-out and undersized 4-inch cast iron pipe water main on Chandler Street from Columbia Street to Woodlawn Avenue, 432 feet of deteriorated, worn-out and undersized 2-inch cast iron pipe water main on Harmon Street from Woodlawn Avenue to Fairlawn Avenue, 864 feet of deteriorated, worn-out and undersized 2-inch cast iron pipe water main on Woodlawn from Chandler Street to Robinson Street, 600 feet of deteriorated, worn-out and undersized 6-inch cast iron pipe water main on Shadowlawn Place from Robinson Street to near Chandler Street and the installation of an additional 264 feet of 8-inch ductile iron pipe to eliminate the dead-end and connect to Chandler Street. Additionally, 324 feet of 8-inch ductile iron water main was installed on Woodlawn Avenue from Logan Street to connect with the dead-end on Woodlawn Avenue and eliminate several service lines that had acted as the water main as well as 324 feet of 8-inch water main on Grant from Columbia Street to the north, connecting to the dead-end water main on Grant Street.

#### THORNHILL DRIVE

This project installed 440 feet of 8-inch High Density Polyethylene Pipe to replace a like amount of 8-inch cast iron pipe that was retired due to the need to relocate the water main as a result of a City of Danville bridge relocation project.

#### NEBRASKA STREET

This project installed 10 feet of 6-inch ductile iron water main to replace a like amount of 6-inch cast iron pipe that was retired due to the need to relocate the water main as a result of a City of Danville road construction and sewer relocation project.

#### FAIRFIELD STREET

This project installed 756 feet of 8-inch ductile iron water main to replace a like amount of 6-inch cast iron pipe that was worn-out and deteriorated and had broken. The water main had to be relocated to an area just west of the existing water main where access could be made at an Interstate bridge overpass.

#### WALNUT HILL DRIVE

This project involved the replacement of water main contained in property Account 331, Transmission and Distribution Mains. This project replaced 1,026 feet of deteriorated, worn-out and undersized 2-inch cast iron pipe water main on Walnut Hill Road from Boat Club Road to the end. The water main that was replaced was unlined cast iron water main that was over 50 years old, was extremely encrusted on its interior and was incapable of providing minimal fire flows for residential areas.

#### VALVE AT LOGAN AND SWISHER

This project involved the replacement of a valve contained in property Account 331, Transmission and Distribution Mains. This project replaced a worn-out and deteriorated 6-inch valve at the corner of Logan Avenue and Swisher Street.

#### VALVE AT ROBINSON AND ANN

This project involved the replacement of a valve contained in property Account 331, Transmission and Distribution Mains. This project replaced a worn-out and deteriorated 6-inch valve at the corner of Robinson and Ann Streets.

#### **VALVE AT MARTIN AND NORMAN**

This project involved the replacement of a valve contained in property Account 331, Transmission and Distribution Mains. This project replaced a worn-out and deteriorated 6-inch valve at the corner of Martin and Norman Streets.

#### **VALVE AT SAGER AND WASHINGTON**

This project involved the replacement of a valve contained in property Account 331, Transmission and Distribution Mains. This project replaced a worn-out and deteriorated 6-inch valve at the corner of Sager and Washington Streets.

#### **VALVE AT MARTIN AND NORMAN**

This project involved the replacement of a valve contained in property Account 331, Transmission and Distribution Mains. This project replaced a worn-out and deteriorated 6-inch valve at the corner of Martin and Norman Streets.

#### **VALVE AT OAKWOOD AVENUE AND MARLOWE STREET**

This project involved the replacement of a valve contained in property Account 331, Transmission and Distribution Mains. This project replaced a worn-out and deteriorated 3-inch valve at the corner of Oakwood Avenue and Marlowe Streets.

#### **ACCOUNT 333 SERVICES**

##### **ELM STREET, KIST AVENUE SHANK DRIVE AND LEE STREET**

This project involved the replacement of water services. These services were replaced in conjunction with the QIPS water main installation on Elm Street, Kist Avenue, Shank Drive and Lee Street. There were 49 services, contained in Plant Account 333, Services, which were replaced. Of that number, 29 were located on Elm Street, 9 were located on Kist Avenue, 2 on Shank Drive and 9 on Lee Street. This project replaced these 49 services that were deteriorated, worn-out or undersized and may have contained portions constructed of lead.

##### **POLK STREET**

This project involved the replacement of water services. These services were replaced in conjunction with the QIPS water main installation on Polk Street. There were 13 services, contained in Plant Account 333, Services, which were replaced. This project replaced these 13 services that were deteriorated, worn-out or undersized and may have contained portions constructed of lead.

#### WESTERN AVENUE

This project involved the replacement of water services. These services were replaced in conjunction with the QIPS water main installation on Western Avenue and adjacent side streets. There were 35 services, contained in Plant Account 333, Services, which were replaced. Of that number, 29 were located on Western Avenue, 3 were located on Oakwood Avenue and 3 were located on Evans Avenue. This project replaced these 35 services that were deteriorated, worn-out or undersized and may have contained portions constructed of lead.

#### SHADOWLAWN/CHANDLER/HARMON/GRANT

This project involved the replacement of water services. These services were replaced in conjunction with the QIPS water main installation on Shadowlawn Place, Chandler Street, Harmon Street, Grant Street and Woodlawn Avenue. There were 51 services, contained in Plant Account 333, Services, which were replaced. Of that number, 2 were located on Grant Street, 18 were located on Shadowlawn Place, 11 were located on Chandler Street, 6 were located on Harmon Street and 14 were located on Woodlawn Avenue. This project replaced these 51 services that were deteriorated, worn-out or undersized and may have contained portions constructed of lead.

#### WALNUT HILL DRIVE

This project involved the replacement of water services. These services were replaced in conjunction with the QIPS water main installation on Walnut Hill Road. There were 12 services, contained in Plant Account 333, Services, which were replaced. This project replaced these 12 services, all on Walnut Hill Road, that were deteriorated, worn-out or undersized and may have contained portions constructed of lead.

#### VARIOUS LOCATIONS THROUGHOUT THE SERVICE AREA

This project involved the replacement of water services. There were 43 services, contained in Plant Account 333, Services, which were replaced. This project replaced these 43 services, located throughout the service area, that were deteriorated, worn-out or undersized and may have contained portions constructed of lead.

#### ACCOUNT 334 METERS AND METER INSTALLATIONS

##### VARIOUS LOCATIONS AROUND THE SERVICE AREA

This project involved the replacement of water meters. These meters were replaced primarily due being worn-out or the meters had deteriorated beyond allowable meter accuracy standards. There were 1,978 meters, contained in Plant Account 334, Meters and Meter Installations, that were replaced. This project replaced these 1,978 services, located throughout the service area, that were deteriorated and worn-out.

## **ACCOUNT 335 HYDRANTS**

### **ELM STREET, KIST AVENUE, SHANK DRIVE AND LEE STREET**

This project involved the installation of fire hydrants contained in property Account 335, Hydrants. This project installed 6 three-way fire hydrants with auxiliary valves on Elm Street and Kist Avenue and one each on Shank Drive and Lee Street in conjunction with the QIPS water main replacement project on these streets.

### **POLK STREET**

This project involved the installation of fire hydrants contained in property Account 335, Hydrants. This project installed 2 three-way fire hydrants with auxiliary valves on Polk Street in conjunction with the QIPS water main replacement project on this street.

### **WESTERN AVENUE**

This project involved the installation of fire hydrants contained in property Account 335, Hydrants. This project installed 4 three-way fire hydrants with auxiliary valves on Western Avenue in conjunction with the QIPS water main replacement project on this street.

### **RUSSELL STREET**

This project involved the installation of a fire hydrant contained in property Account 335, Hydrants. This project installed 1 three-way fire hydrant with an auxiliary valve on Russell Street in conjunction with the QIPS water main replacement project on this street.

### **HARVEY STREET**

This project involved the installation of a fire hydrant contained in property Account 335, Hydrants. This project installed 1 three-way fire hydrant with an auxiliary valve on Harvey Street in conjunction with the QIPS water main replacement project on this street.

### **NORTH KANSAS AVENUE**

This project involved the installation of fire hydrants contained in property Account 335, Hydrants. This project installed 2 three-way fire hydrants with auxiliary valves fire hydrants; one on Kansas Avenue and one on Daniel Street in conjunction with the QIPS water main replacement project on this street.

#### SHADOWLAWN/CHANDLER/HARMON/GRANT

This project involved the installation of fire hydrants contained in property Account 335, Hydrants. This project installed 3 three-way fire hydrants with auxiliary valves with this project in conjunction with the QIPS water main replacement project on these streets.

#### FAIRFIELD STREET

This project involved the installation of a fire hydrant contained in property Account 335, Hydrants. This project installed 1 three-way fire hydrant with an auxiliary valve on Fairfield Street in conjunction with the QIPS water main replacement project on this street.

#### WALNUT HILL DRIVE

This project involved the installation of fire hydrants contained in property Account 335, Hydrants. This project installed 2 three-way fire hydrants with auxiliary valves with this project Street in conjunction with the QIPS water main replacement project on this street.

#### VARIOUS LOCATIONS THROUGHOUT THE SERVICE AREA

This project involved the replacement of fire hydrants contained in property Account 335, Hydrants. This project replaced 17 three-way fire hydrants with auxiliary valves at various locations throughout the service area. These hydrants were worn-out and deteriorated and did not meet City of Danville or current fire hydrant standards.

### **SECTION III - PROCEDURES**

The projects included in the 2002 QIPS program for the Vermilion County Division were evaluated for replacement using the most-sound option from an engineering standpoint as well as the least-cost option through design, bidding and construction. When a need for main replacement was determined, the Company used a computer model of the Vermilion County Division's distribution system to determine the most cost-effective solution for the given replacement project. This modeling data was then used as the basis of design which was completed in-house or with the use of lowest-cost competitively bid consulting engineers. Once the design was completed, the projects were competitively bid to outside contractors and the lowest-cost, qualified bidder was awarded the job. The materials (water main and fittings, service materials, brass goods, hydrants and valves) used for the job were purchased through a competitive bidding process.

Services, hydrants, meters and valves also were replaced through a competitive bidding process.

Officer Verification

I, Terry J. Rakocy, hereby verify that: (1) I am President of Consumers Illinois Water Company; (2) the accompanying revised reconciliation of operation of the QIPS Rider during 2002 for the Vermilion Rate Area (Exhibit "B") was prepared by me or under my supervision; (3) I am familiar with the facts set forth in the revised 2002 Reconciliation (Exhibit "B"); and (4) the revised 2002 reconciliation (Exhibit "B") is true and correct to the best of my knowledge.

  
Terry J. Rakocy  
President  
Consumers Illinois Water Company

State of: Illinois County of: Hankook

Subscribed and sworn to before me this 25<sup>th</sup> day of March, 2003.

Notary Public: Jane Zinanni

My Commission expires: 12-29-06

